



February 20, 2003

HOUSE BILL No. 1121

DIGEST OF HB 1121 (Updated February 19, 2003 11:42 AM - DI 109)

Citations Affected: IC 20-12.

Synopsis: Teacher recruitment and retention. Establishes a teacher recruitment and retention fund, administered by the professional standards board, to: (1) attract qualified teachers to those geographical areas of the state where a critical shortage of teachers exists; and (2) retain qualified teachers in teacher shortage areas; by providing student loan repayment assistance. Provides that as a condition of participating in the program and receiving student loan repayments, a teacher must agree to employment as a licensed teacher in a school district located in a teacher shortage area for a period of at least five years.

Effective: July 1, 2003.

Porter

January 7, 2003, read first time and referred to Committee on Education.
February 19, 2003, amended, reported — Do Pass. Recommitted to Committee on Ways and Means.

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HB 1121—LS 6790/DI 71+



February 20, 2003

First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1121

A BILL FOR AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 20-12-22.2 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2003]:

4 **Chapter 22.2. Teacher Recruitment and Retention Fund**

5 **Sec. 1. As used in this chapter, "fund" refers to the teacher**
6 **recruitment and retention fund established by section 3 of this**
7 **chapter.**

8 **Sec. 2. As used in this chapter, "board" refers to the**
9 **professional standards board established by IC 20-1-1.4-2.**

10 **Sec. 3. (a) The teacher recruitment and retention fund is**
11 **established.**

12 **(b) The purpose of the fund is to attract additional qualified**
13 **teachers to the geographical areas of Indiana where there is a**
14 **critical shortage of teachers, as determined by the board, by**
15 **granting loan repayment assistance authorized under this chapter**
16 **to eligible applicants.**

17 **(c) The fund consists of the following:**

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1 (1) Appropriations made by the general assembly.

2 (2) Gifts, grants, devises, or bequests made to the state in
3 order to achieve the purposes of the fund.

4 (d) The fund shall be administered by the board. The expenses
5 of administering the fund shall be paid from money in the fund.

6 (e) Funds appropriated to the fund shall be placed in the state
7 treasury to the credit of the teacher recruitment and retention
8 fund. Loan repayment assistance payments shall be made out of
9 this fund by the treasurer of state upon a warrant issued by the
10 auditor of state in accordance with rules adopted by the board.

11 Sec. 4. The board shall receive and consider all applications for
12 loan repayment assistance it receives from teachers with
13 outstanding guaranteed student loans made, issued, or guaranteed
14 under a program authorized by Title IV of the Higher Education
15 Act of 1965 (20 U.S.C. 1070 et seq.).

16 Sec. 5. (a) To qualify for loan repayment assistance for student
17 loans under this chapter a person must:

18 (1) hold a license to teach under IC 20-6.1-3;

19 (2) complete at least one (1) year of teaching service in a
20 geographical area of Indiana where a critical shortage of
21 teachers exists, as determined by the board;

22 (3) agree in writing to the employment requirements set forth
23 in section 7 of this chapter; and

24 (4) meet any additional criteria established by the board.

25 (b) For each year for which a teacher qualifies under subsection
26 (a), the board may grant loan repayment assistance to the teacher
27 in an amount not to exceed the lesser of:

28 (1) fifty percent (50%) of the total principal and interest of
29 the guaranteed student loans owed by the teacher during the
30 year for which the teacher qualifies under subsection (a); or

31 (2) three thousand dollars (\$3,000).

32 (c) The loan repayment assistance granted to a qualified teacher
33 under this chapter must be used to reduce the principal and
34 interest on a guaranteed student loan owed by that qualified
35 teacher. The years of service rendered to obtain loan repayment
36 assistance for student loans must be consecutive and may not
37 exceed five (5) years. The maximum amount of loan repayment
38 assistance that may be granted to any qualified teacher is fifteen
39 thousand dollars (\$15,000).

40 Sec. 6. A qualified teacher must apply for a loan repayment on
41 an application form supplied by the board. The board shall
42 consider each application and determine the eligibility of the

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1 applicant for the loan repayment assistance.

2 Sec. 7. (a) Before being granted loan repayment assistance
3 under this chapter, each qualified teacher must enter into a
4 contract with the board agreeing to the terms and conditions upon
5 which the loan repayment assistance will be granted to the
6 qualified teacher.

7 (b) As a condition of being granted loan repayment assistance
8 under this chapter, a teacher must agree to employment for a
9 period of at least five (5) years as a licensed teacher in a school
10 district located in a geographical area of Indiana where a critical
11 shortage of teachers exists.

12 (c) Service rendered by a teacher in a geographical area where
13 a critical shortage of teachers exists before that teacher becomes a
14 participant in the program may not be considered to have fulfilled
15 the employment commitment required by subsection (b).

16 (d) A person failing to comply with the employment
17 commitment required by subsection (b) in any required school year
18 is immediately in breach of contract and becomes liable
19 immediately to the board for the sum of all loan payments awarded
20 to that person, less one-third (1/3) of the amount of that sum for
21 each year that service was rendered, plus interest accruing at the
22 current federal Stafford Loan rate at the time the breach occurs.

23 Sec. 8. The board shall maintain complete and accurate records
24 in implementing the loan repayment fund, including records of the
25 following:

- 26 (1) The receipt, disbursement, and uses of funds.
27 (2) The number of applications for loan repayment assistance.
28 (3) The number and amount of loans for which loan
29 repayment assistance has been provided by the board.
30 (4) Other pertinent information requested by the board.

31 Sec. 9. The board may adopt rules under IC 4-22-2 necessary to
32 carry out this chapter, including rules governing the enforcement
33 of any employment requirements and repayment requirements.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1121, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 1121 as introduced.)

PORTER, Chair

Committee Vote: yeas 12, nays 0.

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